

**GENESIS EMPLOYEE BENEFITS, INC.
AMERICA'S VEBA SOLUTION
BASIC PLAN DOCUMENT
ADOPTION AGREEMENT
FOR
CITY OF BLOOMINGTON**

This is the Adoption Agreement referred to in the America's VEBA Basic Plan Document ("Basic Plan Document"). This Adoption Agreement plus the America's VEBA Solution Basic Plan Document Non-ERISA, as amended from time to time, constitutes the Plan for the Adopting Employer.

ADOPTING EMPLOYER INFORMATION:

Employer Name: City of Bloomington
Address: 1800 W. Old Shakopee Road
City, State Zip: Bloomington, MN 55431-3027
Phone/Fax Number: 952-563-4899 / 952-563-8754
Federal ID # _____
Contact Person: Name: Mary C. Heinz or Kay McAloney
Title: Human Resources Representative, Director of Human Resources, respectively
Address: 1800 W. Old Shakopee Road
City, State Zip: Bloomington, MN 55431-3027
Phone/Fax No.: 952-563-4899/952-563-8754
Email Address: mheinz@ci.bloomington.mn.us

EMPLOYEES AND/OR PARTICIPANTS:

There were more than fifty (50) Employees in the last twelve months? ☒ Yes ☐ No
There were more than twenty (20) Employees in the last calendar year? ☒ Yes ☐ No

Check the one that applies (*check only one box*):

- ☐ The Plan benefits active Employees only.
☐ The Plan benefits terminated Employees only.
☒ The Plan benefits both active Employees and terminated Employees.

MISCELLANEOUS:

Name of Plan: City of Bloomington VEBA Health Savings Plan & City of Bloomington Notional HRA Plan

Addendum(s) Attached: ☒ Yes ☐ No

Joint Powers Agreement Attached: ☐ Yes ☒ No

ARTICLE I: INTRODUCTION

1.1 Effective Date means: N/A
(month, day, year)

Original Effective Date: January 1, 2005
(month, day, year)

Restatement Date (*date Adoption Agreement is effective*): January 1, 2015
(month, day, year)

ARTICLE II: DEFINITIONS

2.11 Dependent means:

- ☒ "Dependent" means an individual (other than the Participant and the Participant's Spouse) with respect to whom amounts expended for medical care are excluded from the Participant's gross income under Section 105(b) of the Code, as amended.
- ☐ Other (*Describe*): _____

2.14 Entry Date means:

- ☐ Date Employee becomes eligible to participate.
- ☒ Other (*Describe*): **The date on which the Employee becomes eligible to participate or the date on which a former Spouse or Dependent becomes eligible for notional account.**

2.19 Health Care Expense means:

- ☒ Maximum permitted by law (i.e., Section 213(d) medical expenses).
- ☐ Only expenses eligible for deductible & OOP credit under the high deductible health plan sponsored by the Adopting Employer.
- Carrier Name: _____
- Group Number: _____
- ☐ Maximum permitted by law EXCEPT: (*check only one*)
- ☐ Over the Counter Medications
- ☐ Corrective Eye Surgery
- ☐ Prescription Drugs
- ☐ Vision
- ☐ Dental
- ☐ Orthodontics
- ☐ Only expenses for dental and vision care that qualify as Section 213(d) medical expenses, as modified by Section 106(f).
- ☐ Other _____

Note: Health Care Expense cannot be defined more broadly than the description in IRS Revenue Ruling 2002-41 and IRS Notice 2002-45.

If the definition is different for Participants once they terminate employment, who have chosen to spend down their accounts in lieu of COBRA, complete again:

- ☒ N/A – definition does not change.
- ☐ Maximum permitted by law.
- ☐ Maximum permitted by law EXCEPT: (*choose one*)
- ☐ Over the Counter Medications
- ☐ Corrective Eye Surgery
- ☐ Prescription Drugs
- ☐ Vision
- ☐ Dental
- ☐ Orthodontics

2.23 Limited Scope Health Care Expense means:

- ☒ N/A
- ☐ As provided in the Basic Plan Document.
- ☐ Other: _____

- 2.30 Plan Year is: **January 1 through December 31**
(month, day, year)
- 2.30 The initial "short" Plan Year is: **N/A**
(month, day, year)
- 2.35 Spouse means:
☒ An individual who is legally married to a Participant and who is treated as a "spouse" under the Code.
☐ Other (*Describe*): _____
- 2.36 Name of Trust: **City of Bloomington VEBA Health Savings Trust**

ARTICLE IV: ELIGIBILITY AND PARTICIPATION OF EMPLOYEES

- 4.1 Eligibility requirements are as follows (check and complete only those that apply):
- ☐ Age (*Describe*): _____
- ☐ Length of Service (*Describe*): _____
- ☐ Employment Classification (e.g., union, part-time, full-time) (*Describe*): _____
- ☒ Covered under a specified group medical plan (*Describe*): **The Employees identified in Addendum A who are covered under the high deductible medical plan option sponsored by the Adopting Employer.**
- ☐ Eligible for coverage under the Adopting Employer's group medical plan and actually covered under a group medical plan (the Adopting Employer's or another employer's)
- ☐ Covered under the Adopting Employer's group medical plan
- ☒ Other (*Describe*): **In addition to the forgoing, a former Spouse or Dependent who is eligible for continuation of benefits per COBRA is eligible for a notional account.**
- 4.4(a) Coverage options available under the Plan include:
☒ Full Scope Option.
☐ Limited Scope Option.
☐ Suspended Account Option.
- 4.4(b) Coverage option determined as follows:
☒ N/A
☐ As provided in the Basic Plan Document (i.e., Full Scope Option unless affirmative election of another option)
☐ Participants enrolled in the high deductible health plan are automatically enrolled in the following option unless they affirmatively elect another option:
☐ Limited Scope Option.
☐ Suspended Account Option.

Note: A Participant's coverage option election is irrevocable for the Plan Year for which it was made.

4.4(c) Reimbursement rules:

- ☒ N/A
☐ As provided in the Basic Plan Document
☐ Other: _____

4.5 Effective date of waiver upon termination of employment:

- ☒ Date the Participant's employment with the Adopting Employer terminates
☐ Last day of the month in which the Participant's employment with the Adopting Employer terminates
☐ Date on which the Participant's coverage under the Adopting Employer's group medical plan terminates

4.6 Termination of Contributions:

- ☒ As provided in the Basic Plan Document (i.e., upon ceasing to be eligible, termination of employment, death, or termination of plan).
☐ Other (*Describe*): _____

4.7 Termination of Participation:

- ☒ As provided in the Basic Plan Document
☐ Other (*Describe*): _____

4.8 Spend down access for non-exempt HC Accounts:

- ☒ Not available
☐ Provided for Participants with non-integrated HC Accounts pursuant to Section 4.8(a)
☐ Provided for Participants with limited eligible expenses pursuant to Section 4.8(b)
☐ Provided for Participants with post-employment HC Accounts pursuant to Section 4.8(c)

ARTICLE V: BENEFITS UNDER THE PLAN

5.3 Claims Run-out Period: **Within 120 days following the close of the Plan Year in which the Health Care Expense was incurred.**

5.4 Expenses must be incurred:

- ☒ After the Participant's Entry Date
☐ After the Participant's Entry Date **and** the Participant's termination of employment with Adopting Employer
☐ Other (*Describe*): _____

5.7(a) Post-termination Access:

- ☒ As provided in the Basic Document.
☐ Other (*Describe*): _____

5.7(b) Post-death Access by Spouse & Dependents:

☒ As provided in the Basic Document.

☐ Other (*Describe*): _____

5.9 Use of forfeitures:

☒ Pay administrative costs which would otherwise be paid from the Trust (i.e., Participants' HC Account balances)

☐ At the close of the Plan Year in which such forfeitures occur, contributed to the HC Accounts of all Participants employed by the Employer on the last day of such Plan Year on a per capita basis.

☐ Other (*Describe*): _____

Note: Under no circumstances will the amounts revert to the Adopting Employer. Forfeitures may not be used to offset future contributions by the Adopting Employer.

5.9 Vesting:

☒ 100% vesting at Entry Date

☐ Vesting occurs pursuant to the following schedule: _____

5.11 Which plan pays first:

☐ This Plan

☒ Flex plan sponsored by the Adopting Employer.

☐ Other (*Describe*): _____

Note: The choice of which plan pays first cannot be left to the Participant.

5.12(d) Other Limitations, if any: **N/A**

ARTICLE VI: CONTRIBUTIONS

6.1 Employer Contribution amount, timing, restrictions (*check all that apply*):

One Time Contribution:

☐ Fixed dollar amount \$ _____

☐ Fixed formula (*Describe*): _____

☐ Restrictions, if any (*Describe*): _____

Contributed on (*Identify Date*): _____

Recurring Contributions:

☒ Fixed dollar amount See Addendum A.

☐ Per month

☐ Per quarter

☐ Per year

☒ Other (*Describe*): On or about the first day of the Plan Year or, for those
who become Participants after that date, on or about the Participant's
Entry Date.

☐ Restrictions, if any (*Describe*): _____

☐ Fixed formula (*Describe*): _____

☐ Per month

☐ Per quarter

☐ Per year

☐ Other (*Describe*): _____

☐ Restrictions, if any (*Describe*): _____

☐ Annual Contribution of Accumulated Paid Time Off, Vacation, or Sick Leave (*Describe*): _____

☐ Contribution of Accumulated Paid Time Off, Vacation, or Sick Leave Upon Termination of
Employment (*Describe*): _____

6.3 Direction of Investments:

☐ Plan Administrator

☒ Participant

☐ Other (*Describe*): _____

ARTICLE XI: GENERAL PROVISIONS

11.6 Reasonable fees of Plan Supervisor (recordkeeping and claims administration) shall be paid as follows:

- ☒ Fixed fees shall be charged to the Plan and paid from the general assets of the Adopting Employer (billed to the Adopting Employer); asset-based fees shall be charged to the Participant and paid from the Participant's HC Account.
- ☐ All fees shall be charged to the Plan and paid from the general assets of the Adopting Employer (billed to the Adopting Employer).
- ☐ All fees shall be charged to the Participant and paid from the Participant's HC Account.
- ☐ Other (*Describe*): _____

If the payment is different for Participants once they terminate employment, complete again:

- ☐ N/A
- ☐ Fixed fees shall be charged to the Plan and paid from the general assets of the Adopting Employer (billed to the Adopting Employer); asset-based fees shall be charged to the Participant and paid from the Participant's HC Account.
- ☐ All fees shall be charged to the Plan and paid from the general assets of the Adopting Employer (billed to the Adopting Employer).
- ☒ All fees shall be charged to the Participant and paid from the Participant's HC Account.
- ☐ Other (*Describe*): _____

11.6 Payment of Trustee's fee:

- ☐ Fixed fees shall be charged to the Plan and paid from the general assets of the Adopting Employer (billed to the Adopting Employer); asset-based fees (if applicable) shall be charged to the Participant and paid from the Participant's HC Account.
- ☒ All fees shall be charged to the Plan and paid from the general assets of the Adopting Employer (billed to the Adopting Employer).
- ☐ All fees shall be charged to the Participant and paid from the Participant's HC Account.
- ☐ Other (*Describe*): _____

11.7 Governing law – State of **Minnesota**

(only list one state)

11.17 Statute of Limitations:

- ☒ As provided in the Basic Plan Document
- ☐ Other (*Describe*): _____

11.19(a) Grandfathered Status:

- ☒ The Plan is a grandfathered plan
- ☐ The Plan is not a grandfathered plan

11.19(d) The Plan is a HIPAA excepted benefit ☐ Yes ☒ No

ACKNOWLEDGEMENTS

1. Pursuant to Section 2.8(a), any collectively bargained Employees participating in this Plan participate because the collective bargaining agreement provides for coverage under this Plan.
2. This Plan has been duly adopted or authorized to be adopted by the Adopting Employer's Managing Body.
3. This Plan is a "covered entity" for purposes of the Privacy Rules under the Health Insurance Portability and Accountability Act (HIPAA).

ADOPTING EMPLOYER: City of Bloomington

Date: _____

By: _____

Its: Mayor

Date: _____

By: _____

Its: City Manager

Reviewed and Approved:

By: _____

City Attorney

ADDENDUM A

Section	Class A	Class B-1	Class B-2	Class B-3	Class B-4	Class B-5
4.1	All Unrepresented Full-time Regular and Probationary Employees, all benefit eligible Part-time and Temporary Employees, current Mayor, and current City Council Members	All Full-time Regular and Probationary Employees who are Police Supervisors	All Full-time Regular and Probationary Employees who are Police Officers	All Full-time Regular and Probationary AFSCME – Professional and Technical Employees	All Full-time Regular and Probationary Employees who are I.A.F.F. Civilian Dispatchers	All Full-time Regular and Probationary AFSCME – Park Maintenance Employees
6.1 Contributions	<p>\$1,700 for Participants participating on the first day of the Plan Year or who become Participants on or before June 30th of a particular Plan Year.</p> <p>\$850 for Participants who become Participants on or after July 1st of a particular Plan Year.</p>	<p>\$1,175 for Participants participating on the first day of the Plan Year or who become Participants on or before June 30th of a particular Plan Year.</p> <p>\$587.50 for Participants who become Participants on or after July 1st of a particular Plan Year.</p>	<p>\$1,175 for Participants participating on the first day of the Plan Year or who become Participants on or before June 30th of a particular Plan Year.</p> <p>\$587.50 for Participants who become Participants on or after July 1st of a particular Plan Year.</p>	<p>\$1,700 Participants participating on the first day of the Plan Year or who become Participants on or before June 30th of a particular Plan Year.</p> <p>\$850.00 for Participants who become Participants on or after July 1st of a particular Plan Year.</p>	<p>\$1,175 for Participants participating on the first day of the Plan Year or who become Participants on or before June 30th of a particular Plan Year.</p> <p>\$587.50 for Participants who become Participants on or after July 1st of a particular Plan Year.</p>	<p>\$1,700 Participants participating on the first day of the Plan Year or who become Participants on or before June 30th of a particular Plan Year.</p> <p>\$850.00 for Participants who become Participants on or after July 1st of a particular Plan Year.</p>